

AUSTRIAN INFORMATION

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BACKGROUND ON AUSTRIAN TREATY

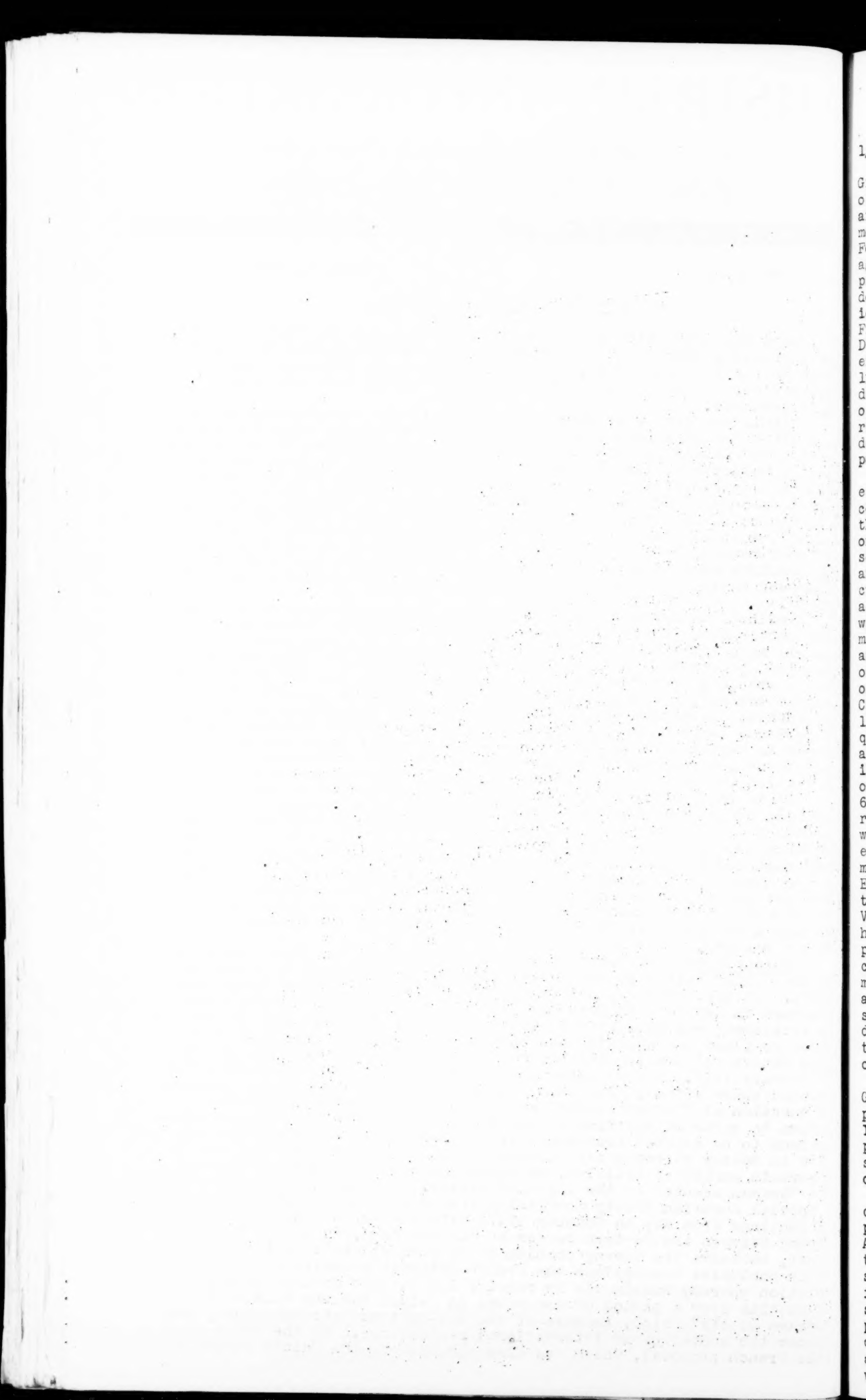
Upon the initiative of the Austrian Government the United States, Great Britain, France and the Soviet Union have now agreed to resume talks on the Austrian Treaty in London on or about February 7th. The negotiations of the Foreign Ministers Deputies had been adjourned since last May.

Within the period of three years this is the seventh attempt to be made by the Four Powers to arrive at a satisfactory solution and to restore to Austria the freedom and independence promised to her as far back as November 1, 1943 in the Moscow Declaration. In that declaration the Governments of the United States, the United Kingdom and the Soviet Union pledged that "Austria, the first free country to fall a victim to Hitlerite aggression, shall be liberated from German domination", a statement to which the subsequently established French Provisional Government adhered promptly. They further agreed to regard the forcible annexation of Austria by Germany as null and void and expressed their desire to see a free and independent Austria re-established.

The Potsdam Agreement of 1945 is also of importance for the Austrian settlement. There it was recognized by all Four Powers that Austria as a liberated country is not liable to pay reparations. It was also at Potsdam, that the Western Powers consented that Soviet Russia should be entitled to take over all "German assets" in Eastern Austria without, however, defining what was and what was not to be regarded as "German assets." During the German occupation of Austria 1938-1945 a large proportion of Austria's economy was forcibly transferred to German ownership. The question which of those assets may legally be regarded as German and consequently be handed over to Russia led to endless discussions at the Treaty negotiations.

It is the purpose of the forthcoming negotiations to conclude an Austrian State Treaty as distinguished from a Peace Treaty. As a victim of German aggression Austria was never at war with the Allies. In March 1938 the Austrian State had temporarily ceased to exist, so that when war was started by Germany in 1939 the Austrian population had no means of organized self-expression. The substance of the Austrian settlement, to be known as "Treaty for the Re-establishment of an Independent and Democratic Austria", will be for the Four Powers to find a common basis for the withdrawal of their troops from Austrian territory.

Chronology: The issue of the Austrian Treaty was first taken up by the United States at the Paris Peace Conference (July - September 1946). It was, however, not before the Foreign Ministers' Conference convened in New York in December 1946 that the question of the Austrian settlement was discussed in concrete terms. At that time it was decided to place the Austrian question on the agenda of the next Foreign Ministers' Meeting which was scheduled to take place in London in January 1947. But no agreement on any of the essential points was reached there either. The main stumbling block was the above mentioned question of "German assets" as well as the unexpected Yugoslav claims to parts of Austrian Carinthia and to 150 million dollars reparations to be exacted from Austria. In March 1947 a new attempt was made in Moscow to reach a solution; although an accord was reached on a certain number of Articles, no agreement was forthcoming on either the "German assets" or the Yugoslav claims. It was then decided that a special Austrian Treaty Commission should meet in Vienna (which held 84 meetings from May to October 1947) with a view to find a common ground between the Western Powers on the one hand, Russia on the other, to solve the thorny problem of "German assets". After months of inconclusive discussions the French delegate proposed a compromise solution whereby Russia was to receive 100 million dollars payable by Austria over a period of ten years in return for the bulk of the "German assets" which, because of the ill-defined Potsdam Accord, had become the center of an international controversy. On the basis of this French proposal, which was also endorsed by the United States and



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Great Britain, Russia furthermore was to receive one half of Austria's oil production, one third of the exploration rights in oil prospecting areas as well as external assets of the Danube Shipping Company (DDSG) mostly in Hungary, Rumania and Bulgaria. At the last Meeting of the Foreign Ministers' Conference in London December 1947 the Soviet Union agreed to accept in principle the French plan and offered a counter-proposal the substance of which was: a lump sum payment of 200 million dollars payable within two years, two thirds of Austria's oil production and two thirds of the exploration rights. On the basis of the French proposal and the Russian counter-proposal the Foreign Ministers' Deputies' Conference was convened in London in February 1948. A number of concessions were made by both sides at these meetings, especially on the question of the lump sum payment where Russia reduced her demands from 200 to 150 millions; on the Russian share in Austria's oil production; on the essential question of the equipment of an Austrian army. In May 1948, however, the negotiations were adjourned indefinitely over the insistence of the Russian Delegate to continue supporting Yugoslavia's territorial and financial claims against Austria.

State of the Negotiations. Agreement has been reached on altogether 35 Articles. 18 Articles are still to be discussed at the forthcoming Conference. 10 Articles will most likely be dropped because their subjects have been treated sufficiently on other Articles or in one of the 10 Annexes of the Treaty. The principal agreements reached so far are on the following issues: Re-establishment of an independent and free Austrian State (Article 1); discontinuance of the Allied Occupation Statute and withdrawal of all occupation forces within 90 days after ratification of the Treaty (Article 33); human rights (Article 7); war criminals (Article 11); prisoners of war (Article 31); establishment of an Austrian army of 13,000 men and of an air force of 90 planes and 5000 men (Article 17); settlement of disputes (Article 50). Issues on which no agreement has as yet been reached include: the recognition of Austria's prewar frontiers - Yugoslavia is still claiming parts of Carinthia (Article 5); reparations - Yugoslavia still claims 150 million dollars (Article 34); "German assets" (Article 35). It was on the question of "German assets" that an important rapprochement has been achieved at the last Foreign Ministers' Deputies' Conference in London in the spring of 1948. On the question of Russia's share in Austria's oil production the claims are only 2 percent apart (Russian proposal 60%, suggestion by the Western Powers 58%). On the question of exploration concessions in oil prospecting areas the difference percentage-wise is about 13% (Russian proposal 60%; areas proposed by Western Powers equal to about 47%). In the Danube Shipping Company, Russia demands in addition to the Company's external assets, all assets in Eastern Austria, while the United States and France are only prepared to give the external assets plus certain facilities for the use of the Vienna port installation. On the lump sum payment Russia has reduced her demand from 200 millions to 150 millions and is now ready to accept payment extended over a period of 6 years; the Western Powers have increased their amount by offering in addition to the 100 millions, 15 million dollars out of Austrian assets in Eastern Europe. Even though a number of delicate questions still will have to be solved, the once so complicated problem of "German assets" has, in principle, been reduced to negotiating on the relatively modest difference of about 35 to 50 million dollars between the latest Russian demand and Western offer.

With regard to the Austrian position on the treaty, the Austrian Government and the two coalition parties from which it derives its support, and which together represent 95% of the electorate, have repeatedly stated that they desire a Treaty which guarantees the complete independence of Austria within its 1937 borders and which calls for only such economic contributions as Austria can reasonably make on the basis of its overall condition and the resources at its disposal.

In this connection one should not overlook the fact that the conclusion of the State Treaty and the subsequent withdrawal of all occupation troops will also result in a series of economic advantages for Austria which should largely offset the financial obligations to which the Treaty would commit her: Austria would recover all the "German assets" (industrial enterprises and real property) which are now in Soviet hands, with the exception of certain oil rights and the Russian share in the Danube Shipping Company assets. These additions would represent a marked increase in Austria's industrial and export potential, disposition and availability of at least part of her oil production and last, but by no means least, an end of the occupation costs, for which Austria has so far paid out nearly 5 billion schillings.

AUSTRIAN ENVOY CALLS FOR END OF OCCUPATION. "Full recovery of the Austrian national economy cannot be accomplished unless the military occupation comes to an end," declared the Austrian Minister Dr. Ludwig Kleinwaechter in a luncheon address on January 17th before the Women's National Democratic Club. The guest speaker who was introduced by Mrs. J. Borden Harriman, the club's president, said that the Americans had done everything they could to facilitate full recognition of Austria's independence and to help the latter obtain a just treaty.

AUSTRIA'S OCCUPATION COSTS: 4788 MILLION SCHILLINGS. Since the end of the war, Austria has paid 4788 million schillings for occupation costs. The central organ of the Austrian Socialist Party - the Vienna "Arbeiter Zeitung" - estimates that 65,000 comfortable homes could have been built for this tremendous sum. For the same money, Austria could also have erected four large Danube power stations with a capacity of 4 million kilowatt and thereby double her production of electric energy.

Of these 4788 million schillings (\$477 million) for occupation costs, 2138 million went to the Soviet Union, 569 million to England, 491 million to France and 88 million to the United States of America. It is well known that as early as 1947, the USA renounced its claim to further payment of occupation costs and that since then it has refunded to Austria most of the money it had received before that date. Furthermore, on the occasion of the second currency reform in December 1947, Austria redeemed Allied Military Schilling Certificates in the amount of 1205 million schillings. This brings the occupation costs to date to the tremendous sum of 4 and 3/4 billion schillings.

The 1948 total for occupation costs amounted to 450 million schillings, 153 million of which have been claimed so far. The balance will have to be paid in the course of the current year.

AUSTRIA TO REQUEST RELEASE OF AUSTRIAN NATIONALS ARRESTED OR DEPORTED BY ALLIES. The Austrian Press Agency is purported to have learned that when the discussions on the Austrian Treaty are resumed, the Austrian Government will request that all Austrian nationals who were arrested, sentenced or deported during the Allied occupation, be released or allowed to return to Austria, as the case may be, after conclusion of the treaty. This matter will allegedly not be the subject of a special clause in the treaty, but rather the subject of a separate, individual agreement.

PROTEST AGAINST ALLIED CENSORSHIP. As reported in the last issue of the "Austrian Information" bulletin (Vol. II, # 1), Undersecretary of the Interior Ferdinand Graf (People's Party) refused to submit to Russian censorship the text of an electoral speech he had intended to broadcast over the Vienna "RAVAG" Radio Station on January 8th. In its meeting of January 18th, the Austrian Cabinet expressed the opinion that such methods by the Allied censorship authorities were contrary to the Allied Control Agreement and decided that in the future texts of speeches by members of the Government intended for broadcast over the radio would not be submitted to any censorship authorities. The Council of Ministers further called upon the Federal Chancellor to again approach the Allied Council with the request that censorship be discontinued in Austria.

CHANCELLOR FIGL'S POLITICAL "WEATHER FORECAST". Leopold Figl, Chancellor of Austria, made the following political "weather forecast" for Austria in 1949 at a meeting in Vienna on January 10th:

In the economic field: "continued mild".

In the field of domestic affairs, with the coming elections in mind: "temporary cloud formations followed by clear weather".

In the field of foreign affairs, especially with regard to the Austrian Treaty: "still cloudy with possible clearing; no storms expected".

Should there be some down-pours, Chancellor Figl concluded, we have tough skins and know that sunshine always follows rain.

SOCIALIST MINISTER ON ELECTIONS. Karl Maisel, Minister of Social Affairs and member of the Socialist Party, recently stated at a labor union meeting in Judenburg that as a result of complicated election requirements it would hardly be possible to still hold new elections this spring, and that it was almost certain that the general elections would be held in the fall, presumably in October.

VIENNA GESTAPO CHIEF "GETS AWAY WITH MURDER" IN GERMANY. The former head of the Vienna Gestapo, SS-Brigadier General Hans Josef Huber,

was conditionally sentenced to one year imprisonment and a fine of 500 Mark by the Denazification Court of Nuremberg. One of the accusations against Huber was that in the year 1942 he had issued orders for the shooting of forty-two Austrian political prisoners in Graz, but no witnesses could be obtained to verify the accusation. The Austrian Government has made repeated attempts to have the former Gestapo chief of Vienna extradited to Austria, but the Allied authorities in Germany have refused to accede to this request.

It should be noted in this connection that a series of former Austrian Nazi Gauleiter are still in American camps in Germany and their extradition to Austrian courts is still being refused by the competent American authorities. These notorious Nazis include, among others, Franz Hofer, former Gauleiter of the Tyrol; Scheel, former Gauleiter of Salzburg; SS General Sepp Dietrich, German Commanding Officer in Vienna in the spring of 1945 and Baldur von Schirach, who was Gauleiter of Vienna from 1942 to 1945 and who was responsible for almost all executions of members of the resistance movement during that period. Schirach is at the present time in Spandau prison. A request for his extradition has also been turned down by the U.S. occupation authorities in Germany.

FORMER VIENNA GESTAPO OFFICIAL SENTENCED TO LIFE. Johann Sanitzer, a former official of the Vienna Gestapo was sentenced to prison for life by a People's Court in Vienna on January 17th after a trial which lasted several days. Sanitzer who during the war was charged with the Gestapo's coercive measures against the Austrian resistance movement, was notoriously famous throughout Vienna for his horrible ill-treatment of the prisoners he interrogated and against whom he ordered the most inhuman tortures to force them to confess. Public prosecutor Dr. Eichler stated in his summarizing brief to the court that the fact that Sanitzer and his henchmen, despite untold tortures, had been unable to break the spirit of the resistance fighters is a glowing tribute to the resistance will and fortitude of these freedom fighters. Sanitzer was condemned on charges of high treason, ill-treatment and torture, and crimes against humanity.

NEO-NAZI YOUTH CONSPIRACY UNCOVERED. On January 9th five young people were arrested in Graz on the suspicion of having attempted the formation of an illegal neo-Nazi organization in Graz. Gerhard Poenitz, a 20-year old high school student, had tried to form a "Scharnhorst Free Corps" which was to include 22 individuals recruited from the ranks of the former SS and Hitler Youth Movement. Gerhard Poenitz's arrest occurred in connection with a robbery assault on a Graz jeweler. Poenitz had intended to finance his conspiracy group with the stolen money.

NO CALORY INCREASE. The Executive Committee of the Allied Council turned down an Austrian proposal to increase the daily calory ration from 2100 to 2150.

AUSTRIAN REPORT ON ERP AID. In accordance with its bilateral agreement with the USA, Austria has issued its first report on the development of Austrian economy during the first six months of ERP assistance (April 1 - September 30, 1948).

"With the advent of the Marshall Plan", the report states, "Austria has passed from the phase of outright assistance to that of a planned economic reconstruction. Austria is bending its forces toward the reestablishment of order in its own house and thereby laying the foundation for its contribution to the overall European program. As a result of the second World War, Austria's position is considerably more precarious than that of the other nations participating in the Marshall Plan because, in addition to the damages suffered and the production stoppages incurred, not to mention the fourfold occupation with which it is saddled, the country is also forced to undertake a complete readjustment of its economy."

"The significance of the Marshall Plan", the report continues, "is apparent from the fact that a country poor in capital, technically backward and so hard-hit as Austria is not in a position to keep pace with the industrialization process of the world by means of its own resources. This industrialization process has increased by 250 to 900 percent in some countries as compared to the degree of industrialization achieved in 1937. Without ERP assistance, Austria could not even meet half of its basic food requirements, could not repair its war damages and compensate its losses from dismantlings, place its productive apparatus on a rational basis nor carry out its reconstruction."

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REPORT ON AUSTRIA'S ECONOMIC PROGRAM FOR THE 1949/1950 PERIOD. On January 2nd, the Organization for European Economic Cooperation (OEEC) in Paris released its report on Austria's planned reconstruction program for the fiscal year 1949/50. In a summary of Austria's economic situation the report stated: "Three factors characterize Austria's program for 1949/50: (1) It is the first year in which the necessary changes in the country's economic structure, as contemplated in the long-term program, can be introduced, since the year 1948/49 was still devoted to a large extent to the repair of war damages; (2) an improved balance of payment can not yet be counted on and (3) Austria is still not in a position to be able to make full use of its reserves."

The Austrian Economic Plan for the coming financial year calls for improvement of the situation mentioned in point (3) by promoting large-scale capital investments, especially in the form of machinery for the steel industry, the electrical industry, the textile industry and the construction industry.

Total exports are expected to increase by 34% over the 1948/49 level. This will still leave a dollar deficit of 217 million dollars (same as in 1948) and a debit balance toward the Sterling bloc (above all England) amounting to 20,4 million dollars which is an improvement over the year 1948/49. The passive balance toward other countries is expected to increase from 38,5 million to 51,3 million. Expansion of Austrian industrial production will not yet become noticeable during the 1949/50 fiscal period since the above investment plans will bear fruit only in later years. But an increase in the production of coal, steel, other metals and electric energy is expected.

During the same year, Austrian food consumption is to be raised from the present 2100 calories to 2300 per day. Domestic food production is expected to cover 55% of the country's food requirements (as compared to 45% in the year 1948/49 and 75% before the war).

AUSTRIAN INDUSTRIAL PRODUCTION IN 1948. During the year 1948 Austrian production showed a marked increase in all sectors, especially with respect to capital goods. Agricultural production and consumers' goods output was also higher but these two categories still trailed behind the production of capital goods.

The capital goods industry in 1948 was 140% above the prewar production level (1937 - 100%). Consumers' goods output is at about 75% of the last prewar level. The combined index of Austrian industry is today slightly above the prewar level (104% of the 1937 production index). Overall industrial production increased by 47% during the past year. This increase in industrial production is primarily a result of an increase in productivity. The man-hour production capacity of industry showed an average increase of 33% over the year 1947.

Soft coal output reached a monthly yield of 283,000 tons as compared to 270,000 in the year 1937. This domestic production, coupled with a marked increase in coal imports, gave industry a satisfactory supply of coal (98% of the year 1937). The average monthly production of magnesite in 1948 amounted to 41,000 tons as compared to 33,000 tons in 1937. The mining of copper ore was increased from 602 tons in 1937 to 4665 tons for the same month in 1948. Pig iron production averaged 56,000 tons per month as compared to 32,000 tons in 1937. The 59,000 tons of steel produced monthly likewise surpassed the prewar average monthly production. The output of rolled metal goods reached 33,000 tons per month (as compared to 35,000 tons before the war). The monthly output of ball bearings increased to 320,000 bearings and the transportation industry was able to increase its mass production of trucks and busses. The production of aluminum continued to increase and in August 1948 reached 2000 tons as compared to the monthly average of 333 tons in 1937. In the chemical industry, the output of carbide rose to almost 1000 tons per month (as compared to 408 tons in 1937). The rubber industry chalked up a notable increase with a daily output of 500 automobile tires, 600 inner tubes and 9000 motorcycle and bicycle tires - almost enough to meet all domestic requirements.

The textile industry was still faced with an insufficient supply of wool and cotton. This shortage of raw materials however was largely compensated by an increase in the production of cellular wool fiber which reached a monthly total of 1100 tons (as compared to 147 tons in 1937). By increasing the production of finished textiles, it was possible to decontrol almost all of the textile industry. A similar situation exists in the leather industry which reached a postwar record of 268,000 pairs of leather shoes per month.

Other industries entered full-scale production: the radio industry, the glass industry which opened 4 new glass plants, the farm machinery industry and the construction materials industry which - because

of the impetus given it by reconstruction work - more than doubled its output as compared to 1937.

NEW HYDRO-ELECTRIC PROJECT. As announced by the Economic Commission for Europe in Geneva Austria has applied to the International Bank for Reconstruction and Development for financial aid in the construction of two huge hydro-electric stations in Western Austria which it is estimated will cost 212 million dollars. The project which will be handled by a government corporation is to be financed partly by the requested credit and partly by foreign and domestic investments. By exporting about two thirds of the total output of these stations (estimated at 2 billion KWH annually) to the British-American zone of Germany it should be possible to pay back within 25 years the entire capital loan while covering all operating costs during that period. About one third of the energy produced would be made available to the Austrian economy, and 70% of Vienna's electric power requirements could thereby be covered.

AUSTRIA TO HAVE MERCHANT FLEET AGAIN. For the first time since the collapse of the old Austrian merchant marine in 1918, ships flying the Austrian flag will again ply the seven oceans. Two Austrian shipping firms have been established in Trieste, a port which is very interested in Austrian transit trade and merchant shipping. One of these firms, the "Austro-Lloyd", plans to handle the transportation of overseas imports (Marshall Plan goods) from the United States to Trieste if possible and thereby effect considerable foreign exchange economies for Austria by saving on dollar transportation costs. "Austro-Lloyd" intends to transport these overseas imports in 10,000 ton freighters and run an auxiliary feeder service in the Mediterranean with 2000 ton ships..

The second Austrian shipping concern is the "Oestrig" (Oesterreich-Triestiner Schifffahrtsgesellschaft) whose plans call for shipping services to the Near East. Scheduled service (freight and passengers) was initiated on January 19 with the motor ship "Argo" on an original Trieste - Piraeus - Izmir - Port Said - Alexandria line. An additional two 2000 ton motor ships are scheduled to be placed in service shortly, thereby extending the marine network of the "Oestrig" to Istanbul, the Black Sea and the Middle East.

700,000 TONS OF RUHR COAL SHIPPED ON THE DANUBE. The "Donaudampfschifffahrtsgesellschaft" transported 700,000 tons of Ruhr coal from Regensburg to Linz during the previous year. Shipments on the Danube from Austria to Germany consisted primarily of nitrogen and pig iron. Coal shipments are to be increased to 1,200,000 tons during the current year. On the other hand, it has been impossible so far to resume Danube freight shipments to Southeastern Europe. Before the war such shipments had totalled 4 million tons per year.

AUSTRIAN TRADE WITH THE SOVIET UNION. Trade between Austria and the Soviet Union has not yet assumed any noteworthy scope. During the first 8 months of 1948, Austria exported to Russia goods valued at 513,000 schillings (in 1947 such exports amounted to 455,000 schillings) and imported from that country merchandise estimated at 18,000 schillings (195,000 schillings in 1947). In 1937, Austrian exports to Soviet Russia amounted to 7,058,000 schillings (or 0.6% of all exports). These consisted mainly of iron products, electrical supplies, various machinery and equipment. Imports from Russia - primarily wheat, mineral fuels, flax, hemp, jute, woollens and furs - amounted to 4,874,000 schillings (or 0.3% of all imports) during that prewar year. The above export figures for 1948 do not include the large-scale quantities of goods which were exported by the Soviet occupation power, without control by the Austrian Government, from Soviet-requisitioned German assets in Austria. The value of these uncontrolled exports, which resulted in no advantage to Austrian economy and whose foreign exchange counterpart was retained by Russia, cannot be exactly ascertained in figures because competent Russian authorities have withheld all information on this matter. Well-informed Austrian circles estimate however that such "black" exports amount to several hundred million schillings annually.

INCREASE IN AUSTRIA'S SILK PRODUCTION. At the present time there are 1200 silk weaving looms in operation in Austria, only 20% of which are so-called Jacquard looms which produce special fabrics typical of Austrian export designs. The balance of 960 looms is used for the production of plain and shaft fabrics. All these looms can only produce

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a maximum of 9,5 million meters of silk per year, whereas the demand for silk fabrics is 30 million meters. The Austrian Government has therefore evolved an expansion plan for the country's silk industry which calls for the import of an additional 1500 looms, 1000 of which would be suitable for the production of Jacquard fabrics. These new looms will have a capacity of some 8,1 million meters, and will make it possible to increase the export of pure silk and tie silk fabrics which were always among Austria's best export products.

AUSTRIAN RADIO INDUSTRY BACK TO PEACE LEVEL. At the end of the war, Austria's radio industry was at a complete standstill because most of its production facilities had been destroyed by the war. In 1947, after hard reconstruction work, radio production once more could be resumed and during 1948 was even sharply increased, with a simultaneous increase in the quality of the sets made. During last year some 70,000 sets were manufactured, less than 10% of which were exported, whereas before the war exports had accounted for 35% of total production. These reduced exports are partly due to a greater demand on the domestic market and partly to the loss of some of the old export markets, especially those in southeastern Europe. Some of these countries, such as Hungary and Czechoslovakia, have since built up their own radio manufacturing industry. At the present time, Austrian radio sets, primarily special sets such as portables, are being exported to Switzerland, Belgium and the Scandinavian countries.

DEVELOPMENT OF AUGARTEN PORCELAIN FACTORY. The Vienna "Augarten Porzellan Manufaktur" - one of Europe's oldest and largest porcelain manufacturing plants - is currently increasing its production facilities and enlarging its plant. Present production, which is already double that of the year 1947, will be increased still further and the introduction of rational production methods promises to decrease prices with a concomitant retention of quality. These developments should make the porcelain articles produced accessible to a larger buying public. Exports of Augarten porcelain, which is highly prized abroad, will also be stepped up.

PENICILLIN PRODUCED IN TYROL. Penicillin has been produced by the "Biochemie Werke" in Kundl (Tyrol) since November 1948. This penicillin is of the so-called "storage-penicillin" type which is immediately usable at any given time. Current production amounts to 6000 ampoules of 200,000 Oxford units each per month, but this output is being rapidly increased so that Austria's requirements of penicillin will be fully covered by the first months of this year. The same establishment will also begin with the production of streptomycin this year.

CAPACITY OF AUSTRIA'S RAILROAD CAR BUILDING INDUSTRY FULLY UTILIZED. In the near future, the Austrian Federal Railways are expected to place an order for 700 box cars with the "Simmering-Graz-Pauker A.G.", the country's largest railroad car building company. Preliminary negotiations call for the completion of 20 to 30 finished cars after May 1949. The company has orders on hand which will use its full production capacities well beyond 1949. By the end of September, 1590 heavy box cars are scheduled for delivery to the German "Reichsbahn" on an order which amounts to well over 5 million dollars. Other large orders have been placed by Turkey and the "Compagnie des Wagons-Lits".

FAVORABLE SUGAR SUPPLY EXPECTED FOR 1949/50. Austria can be assured of a sufficient supply of sugar during the coming fiscal year. The country receives 54,000 tons of sugar from the ERP, 12,000 tons from Czechoslovakia, 5,000 tons from Poland and Hungary, or a total import of 71,000 tons. To these should be added the 44,000 tons produced domestically. The monthly sugar requirement of 9200 tons distributed to the population is therefore covered. Plans are also afoot to acquire an additional 30,000 tons for industrial use by barter transactions with overseas countries.

DRY WINTER ENDANGERS AUSTRIAN POWER SUPPLY. This year Austria is experiencing the driest winter in more than 20 years, a fact which is having detrimental effects on the country's supply of electric power. Hydraulic power stations (whose output covers about 80% of Austria's electric energy requirements) have been forced to cut their production drastically because of the water shortage. Average monthly power production has fallen to 260 million kilowatt and Austrian authorities have been forced to impose sharp restrictions on industrial production in order to avoid a complete collapse of the electric power supply.

The first part of the paper discusses the general principles of the theory of the atom. It is shown that the atom is a system of particles which are in motion and which are subject to the laws of mechanics. The second part of the paper discusses the application of these principles to the problem of the structure of the atom. It is shown that the atom is a system of particles which are in motion and which are subject to the laws of mechanics. The third part of the paper discusses the application of these principles to the problem of the structure of the atom. It is shown that the atom is a system of particles which are in motion and which are subject to the laws of mechanics.

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VIENNA AUTOMOBILE SHOW IN 1949. The Vienna Automobile Show will be held from May 8 to 15. A large number of entries have already been received both from domestic and foreign automobile manufacturers and the number of exhibitors will far surpass that of the preceding year.

VIENNA TO HOLD SPRING FAIR FROM MARCH 13 TO 20. The Vienna International Spring Fair of 1949 will take place in the week from March 13th to the 20th and will be larger in scope than previously. The technical and agricultural exhibits will be held at "Rotundengelaende" fair grounds in the Prater, and the exhibits of fashions, luxury articles and consumer goods will be housed in the Messepalast. Special exhibits will be presented by the Austrian Tobacco Monopoly, the Austrian Salt Monopoly and the Vienna Municipal Works. Italy and Czechoslovakia will also be represented by official exhibit stands. As was the case for the Autumn Fair in 1948, several thousand foreign exhibitors and visitors are expected to participate. For further information write to the Austrian Foreign Trade Office, 70 Wall Street, New York 5, N.Y.

AUSTRIA TO PARTICIPATE IN FOREIGN AFFAIRS. Austria will officially participate in the fairs scheduled to be held during this year in Brussels, Budapest, Milan, Poznan and Prague. Austrian exhibits will likewise be evident at the Leipzig, Frankfurt and Hannover fairs.

REGISTER OF AUSTRIAN CABLE ADDRESSES. A register of Austrian Cable addresses is now available to all interested parties at the Austrian Foreign Trade Office whose new address is: AUSTRIAN FOREIGN TRADE OFFICE, Suite 801, 70 Wall Street, New York 5, N.Y., telephone number is: WH 4-7295.

TIME FOR DECLARING PROPERTY EXTENDED. In accordance with article 2, paragraph (1), lines 3 and 4 of Law No. 165 dated July 7, 1948, and in accordance with article 2, paragraph (2), lines 1 and 2 of Law No. 166 likewise dated July 7, 1948, natural persons who on January 1, 1948 were neither temporary nor permanent residents of Austria but owned property in the country, must declare both their property and pay a capital levy on any increase thereof. Likewise subject to such property declaration and capital levy are all those juridical persons or entities and estates which had neither their business management nor their location in the country on January 1, 1948 but owned property therein at that time. The time by which such property declarations must be filed for purposes of a capital levy on any increases thereof, payment of the 1948 property taxes (capital assessment) and the special property tax, has been extended for such persons until March 31, 1949.

FORMER MAYOR GEORG EMMERLING DIES. Georg Emmerling, the former social-democratic deputy mayor of Vienna, recently died in Vienna at the age of 79.

GUEST PERFORMANCE OF VIENNA OPERA IN ROME. The January performance of Mozart's "Abduction from the Seraglio" by a guest ensemble of the Vienna State Opera was acclaimed as an extraordinary musical event by the Rome press. The "Giornale della Sera" wrote: "Let's face it humbly: no Italian group could have offered us an interpretation and performance of such quality!" Present at the performance which was conducted by Josef Krips were Italy's Premier, Alcide de Gasperi, the Mayor of Rome and almost the entire diplomatic corps.

THIS YEAR'S SALZBURG MUSIC FESTIVAL. The annual Salzburg Festival -- which will open on July 27th and run through August -- again promises to be one of the world's outstanding musical and theatrical events of the year. Bruno Walter will make his first postwar Salzburg appearance and will share the conducting honors with Wilhelm Furtwaengler, Hans Knappertsbusch, Josef Krips, Karl Boehm, Herbert Karajan and George Szell. The list of operas includes Beethoven's "Fidelio", Gluck's "Orpheus", Richard Strauss's "Der Rosenkavalier", Mozart's "Magic Flute" and "La Clemenza di Tito" and C. Orff's "Antigone". There will also be nine orchestral concerts, three chamber music concerts, four serenades, five dome concerts and one concert by the Strasbourg Cathedral Choir. Three plays, including Hofmannsthal's traditional "Everyman", complete the program.

It was only recently that George Szell, conductor of the Cleveland Orchestra, announced his acceptance of the invitation to conduct at the Festival. He will conduct four performances of the "Rosenkavalier" with the Vienna State Opera and featuring Jarmilla Novotna, as well as a symphony concert with the Vienna Philharmonic Orchestra.

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Information on the festival can be obtained from the Austrian Consulate General, Information Department, 509 Fifth Ave., and from the Austrian State Tourist Department, 48 East 48th Street, New York, N. Y.

KARAJAN INVITED TO SOUTH AMERICA. The Austrian conductor Herbert Karajan will soon leave for Central and South America to conduct a series of 25 concerts between March 4th and June 14th. Eight of these concerts will be in Buenos Aires and four in Havana. During his guest tour, Karajan will conduct 12 different orchestras.

AUSTRIAN FILM PRODUCTION IN 1948. Twenty-four new Austrian films had their first run during 1948. An additional ten are almost completed and will be presented to the public in the very near future. The film "The Trial" ("Der Prozess") received two first prizes at the Venice Film Biennial last summer and several other Austrian films also enjoyed excellent runs abroad. Paul Hoerbiger's film "Hofrat Geiger" was the biggest box office success Switzerland has had for years.

Last fall it also became possible to resume film exports to Germany -- which is a vital market for the Austrian film industry -- within the framework of an exchange agreement.

ALEXANDER KORDA TO PRODUCE AUSTRIAN FILM WITH VIENNESE STAR. The Austrian film "The Angel with the Trumpet" which had its first public screening at the Salzburg Festivals in August 1948, will now be produced again in London by Alexander Korda in an English version. Paula Wessely had the leading part in the German version, but Korda has signed up the Viennese film actress Maria Schell to play the lead in his English version. The actress is also under contract for several other Korda films. The English version of "The Angel with the Trumpet" is scheduled to be completed by early summer.

VIENNA OPERA NEEDS ADDITIONAL MEANS FOR SPEEDY RECONSTRUCTION. The Council of Ministers will presumably discuss in the near future a resolution sent to the Federal Chancellor by the Committee for the Reconstruction of the Opera and the Burgtheater. The resolution calls for urgent financial means to hasten the reconstruction of both national theaters which were badly damaged by aerial bombs during the last weeks of the war. It warns that if no greater funds from the extraordinary budget of the Republic are allotted than have been granted heretofore, it would take another five to six years before the Opera on the Ring would be completed, despite the fact that both men and material were available. The resumption of performances in the former large theaters is especially important in order to be able to reduce admission tickets to about half their present price so as to bring the state theaters within reach of a larger public. The donations from private sources, both in Austria as well as abroad, for the reconstruction of the national theaters are very gratifying to be sure, -- Dr. Egon Hilbert, Head of the Federal Theaters Administration, declared -- but these are but a drop in the bucket.

NEW ORGAN FOR ST. STEPHEN'S CATHEDRAL IN VIENNA. The new organ for the St. Stephen's Church which is Vienna's cathedral is now in the process of completion. It will be recalled that the old giant organ in the dome of the church, dating back partly to the year 1720, was destroyed during the fire which swept the cathedral in April 1945. The new instrument will have 43 voices and is being built by the Viennese organ maker Johann Kauffmann. This organ will be entirely satisfactory for the part of the cathedral which has so far been restored for divine worship. After the entire cathedral will again be accessible to religious services, it will be necessary to install a second large organ in the aisles of the nave.

MICHAEL PACHER FRESCOES DISCOVERED IN INNSBRUCK. Frescoes by the famous Austrian gothic painter Michael Pacher have been discovered in the chapter hall of the monastery garth during the current restoration of the Wilten monastery near Innsbruck. The monastery had been almost completely destroyed by aerial attacks during the war. It was found that the entire walls and arches of the chapter hall were covered with Pacher frescoes. Michael Pacher whose paintings may be found in several gothic churches of Central Europe was a native of the Tyrol. He was born around 1435 near Brixen and died in 1498.

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RACE FOR FIRST AUSTRIA CUP TO BE RUN IN MARCH AT MITTERSILL, FRANCONIA. The Junior Race for the First Austrian Cup, which was donated by the Austrian Ski Association to young American skiers as a token of appreciation for American help to the children of Austria, was postponed from Christmas to March because of lack of snow. The award will be made by a representative of the Austrian Ministry of Commerce and Reconstruction who will go to Franconia. The race will be run under the auspices of the Franconia Ski Club and the sponsorship of the Eastern Amateur Ski Association.

AUSTRIAN SKI TEAM TO VISIT UNITED STATES. In response to the invitation of several American resorts, plans are now afoot to bring a team of Austria's best skiers to the United States in the near future. It is hoped that the team will be able to come this season, leaving St. Anton immediately after the Kandahar and arriving in time for the Harriman Cup Races at Sun Valley. Previous European commitments, however, may make this plan impractical. It has been definitely decided, however, that the Austrian team will compete in next season's F. I. S. events in Aspen, Colorado.

THE WORK OF WELFARE AGENCIES IN AUSTRIA. In the period between the end of the war and December 31, 1948, foreign welfare agencies distributed 78,000 tons of food and 527 tons of medical supplies in Austria. The value of this assistance amounts to a total of 48 million dollars. Fifty percent of the food donations and 75 percent of the medical supplies came from the United States.

Since the general supply situation improved considerably and became more normalized in 1948, the various welfare agencies concentrated their efforts primarily to help needy groups, such as children, old people and the sick. Thus, the UNICEF (child welfare organization of the United Nations) has taken on the task of feeding 381,464 children at an outlay of 223 tons of food per month. The Quaker and Mennonite welfare services donated food for 5000 sufferers from tuberculosis. Since the end of the war various organizations also distributed 5000 tons of clothing to the needy.

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